State of Idaho

DEPARTMENT OF INSURANCE

C.L. "BUTCH" OTTER
Governor

700 West State Street, 3rd Floor P.O. Box 83720 Boise, Idaho 83720-0043 Phone (208)334-4250 FAX # (208)334-4398 WILLIAM W. DEAL Director

NEWS RELEASE

FOR IMMEDIATE RELEASE

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CONTACT: Tricia Carney 208-334-4312 tricia.carney@doi.idaho.gov cell 208-850-2342

Blue Cross of Idaho, Insurance Department Resolve Rate Issue

BOISE, ID (November 23, 2011) – The Idaho Department of Insurance and Blue Cross of Idaho have reached an agreement resulting from the findings of a routine examination of Blue Cross of Idaho by the Department. Pursuant to that agreement, Blue Cross of Idaho has agreed that approximately 15 percent of small employer group health insurance premium renewal rates during the 31-month period beginning January 1, 2008, appeared to be greater than the maximum renewal increases allowed under the Idaho Insurance Code.

Department Director Bill Deal says, "The Department regularly examines insurance companies doing business in Idaho to ensure compliance with the applicable rules and statutes. When a discrepancy is found, we work with the company to find a solution that can resolve the problem."

Blue Cross of Idaho has agreed to revise its calculations of renewal premiums to be consistent with the Department's interpretation of what is allowed under Idaho law, reimburse an aggregate amount of approximately \$876,000.00 to groups affected by the discrepancy who renewed coverage during the 31-month period and pay the Department a settlement amount of \$15,000.00.

By agreeing to reimburse those small employer groups and paying the settlement payment to the Department, Blue Cross of Idaho is not admitting to any violation of statute or rule.

A copy of the order can be viewed on the Department's website, www.doi.idaho.gov.

About the Department of Insurance

The Idaho Department of Insurance has been regulating the business of insurance in Idaho since 1901. The mission of the Department is to equitably, effectively and efficiently administer the Idaho Insurance Code and the International Fire Code. For more information, visit www.doi.idaho.gov.

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